

August 19, 1998

**TAIPEI ECONOMIC AND CULTURAL OFFICE (TECO) and the
MANILA ECONOMIC AND CULTURAL OFFICE (MECO) FOR THE
TEMPORARY ADMISSION OF GOODS**

The TAIPEI ECONOMIC AND CULTURAL OFFICE (TECO) and the MANILA ECONOMIC AND CULTURAL OFFICE (MECO) (hereinafter referred to as "The Contracting Parties") desiring in expand, and strengthen economic and trade relations on the basis of equality and mutual benefit, have agreed as follows:

ARTICLE 1

The Contracting Parties agree to organize a system for facilitating the temporary duty free importation of goods when such goods are covered by a Carnet (hereinafter referred to as "TECO-MECO Carnet").

ARTICLE 2

This Agreement relates to the temporary admission of goods which both Contracting Parties may allow to circulate freely within the relevant territories according to the modalities set forth in the Customs Convention on the ATA Carnet for the Temporary Admission of Goods (ATA Convention) and by the national laws and regulations of the Contracting Parties.

ARTICLE 3

For the Purpose of this Agreement

"Import duties" means Customs duties and ail. other duties, fees, taxes or other charges payable on or in connection with importation, and shall include all internal taxes chargeable imported, goods, which shall not include fees and charge which are limited in amount to costs of services rendered and do not represent any indirect protection to domestic product or a taxation of imports for fiscal purposes;

"Temporary admission" means temporary Importation free of import duties in accordance with the conditions laid down by the ATA Convention and by the national laws and regulations of the extracting Parties;

"TECO-MECO Carnet" means the document to be set out in the Annex to this Agreement;

"Issuing association" means the association authorized to issue to issue the TECO-MECO Carnet;

"Guaranteeing associations" means the organization designated by TECO and MECO respectively, to implement this Agreement to guarantee payment of the sum due to customs should there be breach of conditions;

"Relevant territories" means the territories in which the Contracting Parties are established;

ARTICLE 4

The issuing and guaranteeing associations shall

- i) issue the TECO-MECO Garnets; and
- ii) guarantee the payment of import duties and taxes in the event of non-compliance with the conditions of temporary admission in respect of goods dispatched under cover of TECO-MECO Carnets to and from the relevant

in accordance with the rates laid down in the ATA Convention and by the nation laws of the Contracting Parties,

ARTICLE 5

The period of-validity of any TECO-MECO Carnet shall not exceed one year from the date of the issuance of that Carnet by the issuing association.

ARTICLE 6

The guarantee granted pursuant to this Agreement shall be the security for the payment of the amount as required by the national laws of the Contracting Parties, The guarantee shall further cover, up to 10% of the amount of import duties, the payment of any other sums which would have had to be deposited by the importer If there had been no guarantee.

ARTICLE 7

Should the goods covered by the guarantee not be duly re-exported within the prescribed period the guaranteeing association shall pay to Customs the amount as required by the national laws of the Contracting Parties,

ARTICLE 8

Regularization of TECO-MECO Carnets

The guaranteeing association shall have a period of three months, from the date of the claim made by the Customs authorities for the amount of the import duties and any other sums payable in the event of non-compliance with the conditions of temporary admission, in respect of goods introduced into the relevant territories under cover of TECO-MECO Carnets issued by a corresponding issuing association, in which to furnish proof of the re-exportation of the goods under the conditions laid down In the present Agreement or of any other proper discharge of the TECO-MECO Carnet.

If such proof is not furnished within the time allowed the guaranteeing association shall forthwith deposit, or pay provisionally, such sums to Customs. This deposit, or payment shall become final after a period of one month from the date of the deposit or payment, during the latter period the guaranteeing association may still furnish the proof referred to in the preceding paragraph with a view to recovery of the sums deposited or paid.

Either Contracting Party whose laws and regulations do not provide for the deposit or provisional payment of import duties, payments made in